

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6883

BILL NUMBER: HB 1509

DATE PREPARED: Mar 18, 1999

BILL AMENDED: Mar 18, 1999

SUBJECT: Various administrative matters.

FISCAL ANALYST: Beverly Holloway

PHONE NUMBER: 232-9851

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill has the following provisions:

(A) A certificate of qualification for a contractor or a person performing professional services on a state public works project expires 27 months after the date of issuance. (Under current law, a certificate expires 15 months after issuance.);

(B) A person that holds a certificate of qualification is to notify the Certification Board of any material changes in information supplied in the application submitted to the Board;

(C) A subcontractor on a state public works project must hold a certificate of qualification if the value of the subcontract is \$150,000 or more. (Under current law, the threshold for requiring a certificate of qualification is \$100,000.)

(D) Energy cost savings contracts entered into by the state are to be administered by the Indiana Department of Administration rather than the state agencies that occupy the facilities that benefit from the contracts;

(E) Persons who perform qualified energy cost savings contracts for political subdivisions entered into after June 30, 1999 are required to have a certificate of qualification given by the Indiana Department of Administration and to satisfy certain other criteria. A subcontractor on a qualified energy cost savings contract entered into after June 30, 1999 with a political subdivision is required to have a certificate of qualification if the value of the subcontract is more than \$150,000.

(F) Repeals superseded energy efficiency contract statutes.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) (A) Currently, a certificate of qualification for a contractor or a person performing professional services on a state public works project expires 15 months after issuance. This bill extends the expiration to 27 months after the date of issuance. The fiscal impact of this provision is indeterminable but there would be a reduction in administrative expenses.

(C) Under current law, the threshold for requiring a certificate of qualification is \$100,000. This bill provides

that a subcontractor on a state public works project must hold a certificate of qualification if the value of the subcontract is \$150,000 or more. This change will save some contractors money associated with the certification requirements, which could result in the state paying lower prices for these types of public works projects because vendors may lower their bids.

(B), (D), (E), and (F) These provisions have no fiscal impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Administration.

Local Agencies Affected:

Information Sources: Jay McQueen, Department of Administration, (317) 232-7636.